

IRS PARTNERS WITH INDUSTRY TO EXPAND ELECTRONIC TRANSACTIONS

WASHINGTON -- The Internal Revenue Service today announced several arrangements it has made with private sector firms to expand the opportunities for taxpayers to file or pay taxes electronically in 1999. The new partnerships encompass credit card payments, electronic signatures, and promotional activities related to e-filing.

"We are pleased with the industry's responses to our call for new partnerships to increase e-filing," said Robert E. Barr, IRS Assistant Commissioner for Electronic Tax Administration. "We will monitor how well these initiatives work and we look forward to expanding our partnership with the private sector in the coming months and years."

Two arrangements allow the payment of federal income taxes by credit card for the first time. Although the IRS will not have any fee for credit card payments, users will pay a convenience fee, based on the amount charged.

The IRS entered into an agreement with US Audiotex, of San Ramon, Calif., to process credit card payments by phone. After e-filing by computer -- either from home or through a tax preparer -- or by TeleFile, a taxpayer will be able to charge the balance due with a toll-free phone call. US Audiotex expects to accept most major credit cards.

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The IRS awarded a contract to NOVUS Services, Inc., of Riverwoods, Ill., for individuals using Intuit's TurboTax® or MacInTax® software to e-file from their computers and use a credit card to pay the balance owed to the IRS. Taxpayers will be able to use any card issued by NOVUS -- Discover Card®, Private Issue®, or other NOVUS card brands. Taxpayers can buy the Intuit software at retail stores or through the company.

The IRS contracted with VeriSign, Inc., of Linthicum, Md., to conduct a test with IRS employees using advanced technology which will provide electronic signatures and enhanced security for e-mail transactions. This will introduce IRS to Public Key Infrastructure (PKI) technology and will help to determine whether and how the IRS might use PKI to electronically secure and verify two-way transactions with taxpayers.

In other agreements:

- the IRS will conduct a paperless e-filing pilot in which taxpayers will choose a personal identification number (PIN) to use when filing electronically through a tax preparer. Intuit, of Mountain View, Calif., H&R Block, of Kansas City, Mo., and the National Association of Enrolled Agents (NAEA), of Gaithersburg, Md., will participate in this pilot. This complements another pilot in which the IRS will assign PINs to taxpayers for use as electronic signatures on returns they e-file from their own computers.

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- NAEA will test procedures designed to make it easier for its members to be accepted by the IRS as electronic return originators.
- Tax Refund Express (TRE) of Houston, Tex., and the IRS will send letters to credit unions, encouraging them to offer e-filing to their members and directing them to the IRS Web site for help in finding TRE credit union e-filing services.

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